

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1193

AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-2.5-5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. ~~(a)~~ Transactions involving tangible personal property are exempt from the state gross retail tax if:

- (1) the property is classified as source of supply plant and expenses, the pumping plant and expenses, or water treatment plant and expenses according to the uniform system of accounts which was adopted and prescribed for the utility by the Indiana utility regulatory commission; and
- (2) the person acquiring the property is a public utility that furnishes or sells water in a retail transaction described in IC 6-2.5-4-5.

~~(b) Transactions involving tangible personal property are exempt from the state gross retail tax if:~~

- ~~(1) the property is classified as collection plant and expenses; treatment and disposal plant and expenses; or system pumping plant and expenses; and~~
- ~~(2) the person acquiring the property is a public utility that collects, treats, or processes wastewater.~~

SECTION 2. IC 6-2.5-5-12.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12.5. (a) As used in this section,**

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"collection plant and expenses" includes the following:

(1) Expenditures for collection plant, which include the following:

- (A) Land and land rights.
- (B) Structures and improvements.
- (C) Power generation equipment.
- (D) Collection sewers and special collecting structures.
- (E) Receiving wells.
- (F) Pumping equipment.
- (G) Transportation equipment.
- (H) Other collection plant expenditures.

(2) Expenditures for collection expenses, which include the following:

- (A) Operation supervision and engineering.
- (B) Purchased power or fuel for power production.
- (C) Chemicals.
- (D) Materials and supplies.
- (E) Maintenance supervision and engineering.
- (F) Rental of real property or equipment.
- (G) Maintenance of power generation equipment.
- (H) Maintenance of structures and improvements.
- (I) Maintenance of transportation equipment.
- (J) Maintenance of collection plant equipment.

(b) As used in this section, "public utility" means a public utility (as defined in IC 8-1-2-1(a)) or any person that contracts with a municipality to operate, manage, or control any plant or equipment owned by the municipality for the collection, treatment, or processing of wastewater.

(c) As used in this section, "system pumping plant and expenses" includes the following:

(1) Expenditures for pumping plant, which include the following:

- (A) Land and land rights.
- (B) Structures and improvements.
- (C) Boiler plant equipment.
- (D) Other power production equipment.
- (E) Steam pumping equipment.
- (F) Electric pumping equipment.
- (G) Diesel pumping equipment.
- (H) Hydraulic pumping equipment.
- (I) Other pumping equipment.

(2) Expenditures for pumping expenses, which include the

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following:

- (A) Operation supervision and engineering.
- (B) Fuel for power production.
- (C) Power production labor and expenses.
- (D) Fuel or power purchased for pumping.
- (E) Pumping labor and expenses.
- (F) Miscellaneous expenses.
- (G) Rents.
- (H) Maintenance supervision and engineering.
- (I) Maintenance of power production equipment.
- (J) Maintenance of pumping equipment.

(d) As used in this section, "treatment and disposal plant and expenses" includes the following:

(1) Expenditures for treatment and disposal plant, which include the following:

- (A) Land and land rights.
- (B) Structures and improvements.
- (C) Power generation equipment.
- (D) Pumping equipment.
- (E) Flow measuring devices and installations.
- (F) Reuse meters and meter installations.
- (G) Reuse transmission and distribution systems.
- (H) Treatment and disposal equipment.
- (I) Sewers and sewer lines.
- (J) Transportation equipment.

(2) Expenditures for treatment and disposal expenses, which include the following:

- (A) Operation supervision and engineering.
- (B) Purchased wastewater treatment.
- (C) Sludge removal expenses.
- (D) Purchased power or fuel for power production.
- (E) Chemicals.
- (F) Materials and supplies.
- (G) Maintenance supervision and engineering.
- (H) Rental of real property or equipment.
- (I) Maintenance of power generation equipment.
- (J) Maintenance of structures and improvements.
- (K) Maintenance of transportation equipment.
- (L) Maintenance of treatment and disposal plant equipment.

(e) Transactions involving tangible personal property are exempt from the state gross retail tax if:

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- (1) the property is classified as collection plant and expenses, treatment and disposal plant and expenses, or system pumping plant and expenses; and
- (2) the person acquiring the property is a public utility that collects, treats, or processes wastewater.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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